

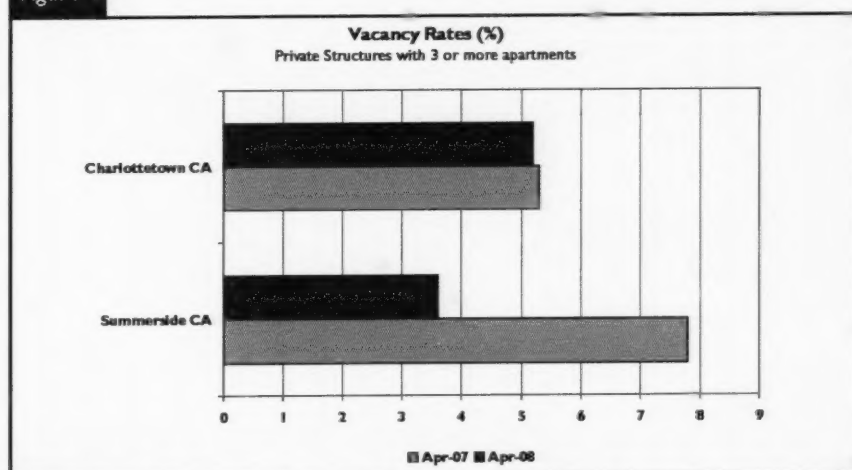
## RENTAL MARKET REPORT

## Prince Edward Island Highlights

Canada Mortgage and Housing Corporation

Date Released: Spring 2008

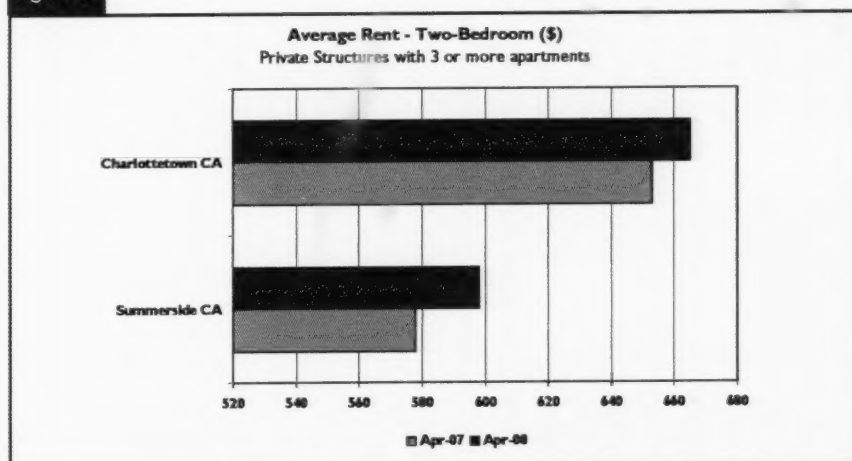
Figure 1



## Charlottetown and the Province Record Similar Results

- The overall vacancy rate in Prince Edward Island's urban centres stood at 4.9 per cent in April 2008.
- Charlottetown posted a slightly higher level than the provincial rate at 5.2 per cent.
- The average two-bedroom rent in Charlottetown was \$665, compared to the provincial average of \$653.

Figure 2



## Overview

Results from Canada Mortgage and Housing Corporation's 2008 Spring Rental Market Survey revealed that the vacancy rate for provincial urban centres was 4.9 per cent, while the rate for Charlottetown was slightly higher at 5.2 per cent.

Since 2002, the Island's urban housing markets have been performing at an above average level; however, recent indicators are showing that the market is beginning to slow. The most recent peak in the housing cycle has been fueled by historically low interest rates, strong employment growth, positive migration, and strong consumer confidence. While little has occurred at this time to affect the overall market fundamentals there are signs that an overall slowdown has begun to take hold in 2008.

The strong demand for housing of all types, combined with low interest rates, did not go unnoticed by developers who took the opportunity to build new rental units. As a result, there have been strong levels of multiple starts activity since 2002. Due to the increase in activity, supply temporarily outpaced demand for new units, resulting in a rising vacancy rate. However, with fewer rental starts in 2007, and demand remaining strong, the vacancy rate has started to decline.

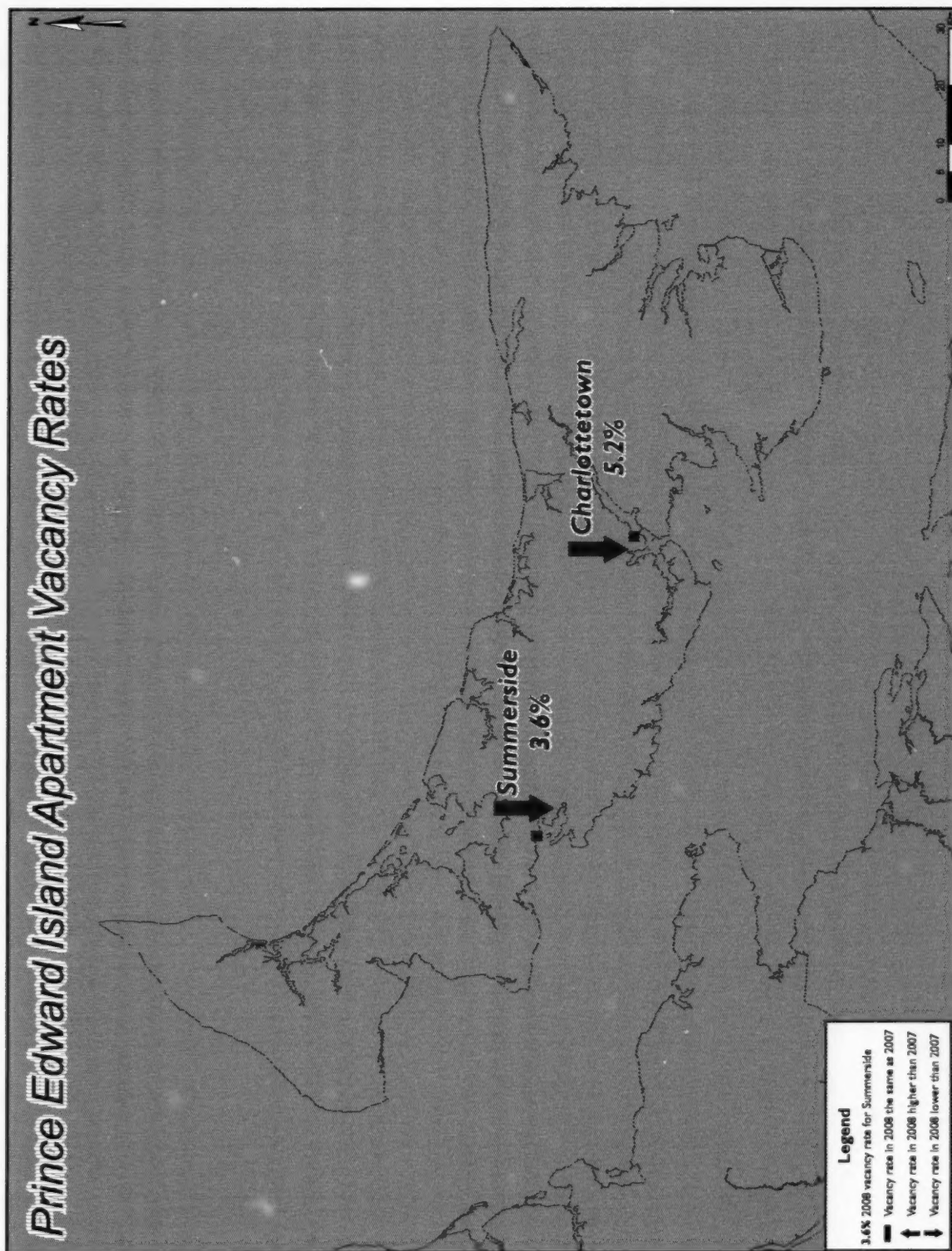
In Charlottetown, the overall vacancy rate fell modestly to 5.2 per cent from 5.3 per cent

during the same period last year. In terms of unit types, the vacancy rate(s) for the two-bedroom units, which make up the vast majority of the rental universe, decreased to 4.7 per cent from 5.9 per cent in the spring of 2007. The spring vacancy rate in Summerside decreased substantially from 7.8 per cent last year to 3.6 per cent in 2008. This decline in the vacancy rate was the result of fewer vacant units in all unit types.

The average total rent in the Charlottetown area was \$623, while the average two-bedroom rent was higher at \$665. In Summerside, the average total rent was \$588.

## Availability Rates

The availability rate in Prince Edward Island reached 6.5 per cent in April 2008. Charlottetown however posted a slightly higher rate of 7.1 per cent.



**I.1.1 Private Apartment Vacancy Rates (%)**  
by Bedroom Type  
Prince Edward Island

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08
Charlottetown CA	**	7.0 c	3.6 c	5.6 b	5.9 b	4.7 b	**	**	5.3 b	5.2 a
Summerside CA	**	**	11.0 c	4.4 a	6.2 b	3.1 b	**	4.5 a	7.8 b	3.6 a
Prince Edward Island 10,000+	**	7.0 c	4.4 b	5.4 b	6.0 b	4.4 b	8.1 c	6.4 c	5.7 a	4.9 a

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)

\*\* Data suppressed to protect confidentiality or data is not statistically reliable

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click [Methodology](#) or [Data Reliability Tables Appendix links](#) for more details

**I.1.2 Private Apartment Average Rents (\$)**  
by Bedroom Type  
Prince Edward Island

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08
Charlottetown CA	440 a	430 a	524 a	531 a	653 a	665 a	768 a	789 a	614 a	623 a
Summerside CA	443 b	427 b	483 a	480 a	578 a	598 a	678 b	716 a	565 a	588 a
Prince Edward Island 10,000+	440 a	430 a	519 a	525 a	640 a	653 a	746 a	764 a	607 a	617 a

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

a – Excellent ( $0 \leq cv \leq 2.5$ ), b – Very good ( $2.5 < cv \leq 5$ ), c – Good ( $5 < cv \leq 7.5$ )

d – Fair (Use with Caution) ( $7.5 < cv \leq 10$ )

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n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

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### 1.1.3 Number of Private Apartment Units Vacant and Universe in April 2008 by Bedroom Type Prince Edward Island

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Charlottetown CA	11 c	154	60 b	1,088	111 b	2,367	**	169	195 a	3,778
Summerside CA	**	13	6 a	137	16 b	506	4 a	89	27 a	745
Prince Edward Island 10,000+	12 c	167	66 b	1,225	127 b	2,873	17 c	258	222 a	4,523

The following letter codes are used to indicate the reliability of the estimates:

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n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

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### 1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Prince Edward Island

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08
Charlottetown CA	**	7.0 c	5.9 b	7.8 b	9.7 b	6.6 b	**	9.8 c	8.5 a	7.1 a
Summerside CA	**	**	11.0 c	4.4 a	6.2 b	3.1 b	**	4.5 a	7.8 b	3.6 a
Prince Edward Island 10,000+	**	7.0 c	6.5 b	7.4 b	9.1 a	6.0 a	9.3 c	8.0 c	8.4 a	6.5 a

The following letter codes are used to indicate the reliability of the estimates:

a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)

\*\* Data suppressed to protect confidentiality or data is not statistically reliable

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

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### 1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent<sup>1</sup> by Bedroom Type Prince Edward Island

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08
	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08
Charlottetown CA	n/a	++	n/a	1.0 d	n/a	**	n/a	++	n/a	1.8 c
Summerside CA	n/a	++	n/a	++	n/a	2.5 c	n/a	++	n/a	2.2 c
<b>Prince Edward Island 10,000+</b>	<b>n/a</b>	<b>++</b>	<b>n/a</b>	<b>0.9 d</b>	<b>n/a</b>	<b>2.1 c</b>	<b>n/a</b>	<b>++</b>	<b>n/a</b>	<b>1.8 c</b>

<sup>1</sup> The Estimate of Percentage Change is a measure of the market movement, and is based on those structures that were common to the survey for both years.

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)

\*\* Data suppressed to protect confidentiality or data is not statistically reliable

++ change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0)

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click [Methodology](#) or [Data Reliability Tables Appendix](#) links for more details

## METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey (RMS)** every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The data collected for a structure depends on whether it is an apartment or a row structure. The survey collects market rent, available and vacant unit data for all sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the April 2007 and April 2008 Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

## DEFINITIONS

**Availability:** A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

**Rent:** The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

**Rental Apartment Structure:** Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

**Rental Row (Townhouse) Structure:** Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

**Vacancy:** A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

**Definitions of Census Areas referred to in this publication are as follows:**

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

### Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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